

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA**

IN RE:	Chapter 11
MERCY HOSPITAL, IOWA CITY, IOWA, <i>et al.</i> ,	Case No. 23-00623 (TJC)
Debtors.	Jointly Administered
	APPLICATION TO EMPLOY HBM MANAGEMENT ASSOCIATES, LLC AS FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE OF PENSIONERS

The Official Committee of Pensioners (the “Pensioners Committee”) of the above captioned debtors and debtors-in-possession (the “Debtors”) submits this application (the “Application”) for entry of an order authorizing the Pensioners Committee to retain and employ HBM Management Associates, LLC (“HBM”) as its financial advisor, effective as of November 21, 2023, pursuant to 11 U.S.C. § 1103 (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). In support of the Application, the Pensioners Committee respectfully represents as follows:

1. On August 7, 2023, (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Northern District of Iowa (the “Court”) commencing these bankruptcy cases.
2. On October 18, 2023, counsel for the Mercy Pensioners Ad-Hoc Committee filed a Motion to Establish an Official Committee of Pensioners Under 11 U.S.C. § 1102 (a)(2) (**Doc. 385**). A hearing on the Motion was held October 27, 2023, and said Motion was granted November 3, 2023 (**Doc. 451**).
3. Section 1103(a) of the Bankruptcy Code provides that:

At a scheduled meeting of the committee appointed under section 1102 of this title, at which a majority of the members of such committee are present, and with the court's approval, such committee may select and authorize the employment by such committee of one or more attorneys, accountants, or other agents, to represent or perform services for such committee. 11 U.S.C. § 1103(a).

4. The Pensioners Committee requests the engagement of financial advisor HBM to render the following Services:

- a) Assessment of the Mercy Hospital Employees' Pension Plan, (the "Pension Plan") including but not limited to current funded status, status of the Pension Plan and assessing options available to the Plan's Participants (the "Pensioners") as a result of the Debtor's bankruptcy filing;
- b) Work with the Pensioners Committee (The "Client"), their Attorneys, and other professionals as necessary to assess causes of action available to the Client;
- c) Assess the Debtors' and other Parties' proposed Bankruptcy Plan treatment of the Pensioners' claims;
- d) Work with the Client, their Attorneys, and other professionals as necessary to determine the options available to the Pensioners including the costs to continue administering the Pension Plan;
- e) Analyze the Plan's historical performance, Statements of Net Assets Available for Benefits and Statements of Changes in Net Assets Available for Benefits; and work with Plan professionals to update the Plan's Financial Statements through the Debtors' proposed Plan Confirmation Date;
- f) Other services as required and agreed upon with the Debtors.

5. Marc Ross, ("Ross"), a managing director of HBM shall be the primary HBM personnel on this engagement. Ross has over 25 years of experience as an advisor, bankruptcy and turnaround specialist, crisis manager, forensic accountant, and auditor. He specializes in assuming hands-on management roles or providing consulting assistance to troubled or under-performing companies. Ross has provided clients with interim management services including roles as a CRO and interim CEO, CFO and COO, operational and financial consulting, advising Debtors and Creditors' committees, providing litigation consulting and performing forensic investigations. Ross holds a Bachelor of Science in Management from Tulane University and practiced as a Certified Public Accountant (CPA) and a Certified Insolvency and Restructuring Advisor (CIRA). He won, along with a team of

professionals, the Turnaround Management Association's Turnaround of the Year Award for work on Agriprocessors, Inc.

6. Ross will be assisted by Harry Malinowski ("Malinowski"), a managing director of HBM, as required. The Client shall retain HBM at the following hourly rates: Ross, \$510; Malinowski, \$510. HBM's rates are subject to adjustment each year. Other professionals may be provided by HBM at hourly rates to be determined, to assist Ross, however such professionals shall only be utilized by Ross with prior written approval of the Pensioners Committee.
7. Notwithstanding the above rates (with respect to services performed by Ross and Malinowski only), professional fees shall not exceed \$17,000 per week. It is anticipated that the Debtors will be responsible for payment of HBM's fees, upon approval by the Court of HBM's fee applications. In addition, the Debtors will reimburse HBM for all reasonable out-of-pocket expenses (including reasonable travel and lodging costs).
8. Upon approval of HBM's retention by the Court, the Debtors shall provide HBM with a \$25,000 retainer (the "Retainer") to be held on deposit by HBM until this engagement has concluded. Any unused portion of the Retainer shall be returned to the Debtors after applying any final Court-approved outstanding amounts due to HBM.
9. To the best of the Pensioners Committee's knowledge and as evidenced by the Declaration attached hereto as Exhibit "A", Ross and HBM have no connection with the United States Trustee, or any other person employed in the Office of the United States Trustee, or the Bankruptcy Judge in these cases, do not hold any interest adverse to the Debtors and are a "disinterested" person under the Bankruptcy Code.

10. For the reasons set forth herein, the Pensioners Committee submits that, pursuant to Bankruptcy Code section 1103(a) and Bankruptcy Rule 2014(a), HBM should be employed as the Pensioners Committee's financial advisor in these bankruptcy cases.

11. The Pensioners Committee requests approval of the retention and employment of HBM effective as of November 21, 2023, the date the Motion to Establish Official Committee of Pensioners was granted by this Court.

WHEREFORE, the Committee respectfully requests that this Court enter the Order, granting the relief requested herein, and granting such other and further relief as the Court may deem just and proper.

Dated: January 15, 2024

Respectfully submitted,
DAY RETTIG MARTIN, P.C.

/s/ Paula L. Roby

Paula L. Roby AT0006749

Telephone: (319) 365-0437

Facsimile: (319) 365-5866

E-mail: paula@drpjlaw.com

*Attorney for The Official Committee of Pensioners
of Mercy Hospital, Iowa City, Iowa, et al.*

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this January 15, 2024, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case.

/s/ Julie G. Quist

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF IOWA

IN RE:

MERCY HOSPITAL, IOWA CITY, IOWA,
et al.,

Debtors.

Chapter 11

Case No. 23-00623 (TJC)

Jointly Administered

**DECLARATION OF MARC ROSS IN
SUPPORT OF APPLICATION TO
EMPLOY HBM MANAGEMENT
ASSOCIATES, LLC AS FINANCIAL
ADVISOR FOR THE OFFICIAL
COMMITTEE OF PENSIONERS**

I, Marc Ross, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a managing director of HBM Management Associates, LLC ("HBM") which is located at 6 Elmwood Lane, Syosset, NY 11791. I am familiar with the matters set forth herein and make this declaration on behalf of HBM and myself in support of the application of the Official Committee of Pensioners (the "Pensioners Committee") in the above-captioned case, for authority to retain HBM as its financial advisor.

2. I hold a Bachelor of Science in Management from Tulane University and have practiced as a Certified Public Accountant (CPA) and a Certified Insolvency and Restructuring Advisor (CIRA). I have over 25 years of experience as an advisor, bankruptcy and turnaround specialist, crisis manager, forensic accountant, and auditor. I have provided clients with operational and financial consulting, advised Debtors and Creditors' committees, provided litigation consulting, and performed forensic investigations. Along with a team of professionals, we won the Turnaround Management Association's Turnaround of the Year Award for work on Agriprocessors, Inc.

3. To the best of my actual knowledge, neither HBM, nor any employee of HBM, has any connection with the above-named Debtors, their creditors, or any other party of interest herein other than Pensioners Committee with whom we have had discussions prior to this application.

4. I am not a manager or owner of, nor am I related to the manager(s) or owner(s) of the Debtors Mercy Hospital, Iowa City, IA; Mercy Services Iowa City, Inc; nor Mercy Iowa City ACO, LLC.

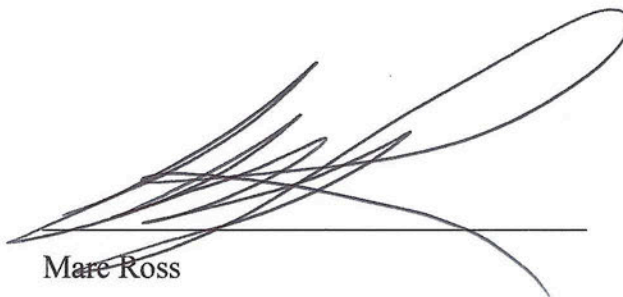
5. To the best of my knowledge, I do not have any connection with the United States Trustee for Region 12, or any person employed by the Office of the United States Trustee.

6. I am not "related" to the presiding Bankruptcy Judge in this case.

7. I do not represent any entity with an interest contrary to the interests of the Official Committee of Pensioners.

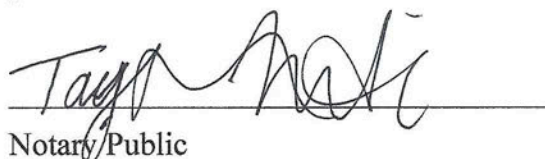
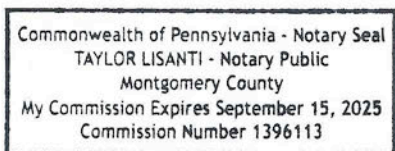
8. I will make an appropriate application to this Court for compensation and reimbursement of expenses as required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Iowa.

Dated this 12th day of January 2024.



Marc Ross

Sworn to and subscribe before me by Marc Ross, a managing director of HBM Management Associates, LLC, on this 12th day of January 2024.



Notary Public